

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON**

GEORGE S. ANDERSON, a single man,  
Plaintiff,

v.

PARAGON WAY, INC., a Texas  
Corporation; And COLLINS  
RECEIVABLES, LLC, a Texas  
Corporation.

Defendant.

NO.

PLAINTIFF'S COMPLAINT FOR  
VIOLATION OF FAIR DEBT  
COLLECTION PRACTICES ACT,  
INTER ALIA

COMES NOW, Plaintiff, GEORGE S. ANDERSON, by and through his counsel,  
DEANNA L. JOHNSON, and complains against the Defendant as follows:

**I. STATEMENT OF THE CASE**

This case involves the Defendant's blatant and unconscionable violations of the Fair Debt Collection Practices Act and the Washington State Consumer Protection Act.

Plaintiff, Mr. Anderson, works as a self-employed flooring contractor. The original creditor of the debt alleged in this matter is Check Into Cash. The debt was subsequently sold, assigned, or transferred to Collins Receivables, LLC (hereinafter "Collins") for collection. Collins is not a licensed collection agency or debt collector in the State of Washington. In an attempt to evade Washington licensing requirements, this account was transferred, sold, assigned, or otherwise conveyed to Paragon Way, Inc. (hereinafter "Paragon") for collection.

COMPLAINT

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**WENGER & ASSOCIATES P.S.**  
**107 N. Tower, #11**  
**Centralia, WA 98531**  
**Phone: 360-623-1060**  
**Fax: 360-623-1059**

1 Mr. Anderson paid the debt in full twice, the first time on June 28, 2006, and the  
2 second time on April 24, 2007, in response to Paragon's continued demands. Despite Mr.  
3 Anderson's efforts to pay and settle this matter, the Defendants continue to make attempts to  
4 collect on the same debt for the third time. Each collection attempt bears the same account  
5 number but each time alleges a different amount due. Most recently, Mr. Anderson received a  
6 letter from the Defendant, which was dated May 8, 2008, implying that a cause of action exists  
7 against him and offering to "help out" Mr. Anderson by offering him a discount on this same  
8 debt, if Mr. Anderson would settle by May 31, 2008. (Copy attached as exhibit A).

9 Defendant's dunning letter is in violation of the Fair Debt Collections Practices Act  
10 where it did not contain the required statutory language informing Mr. Anderson of his right to  
11 dispute the debt, and where the language overshadows Mr. Anderson's statutory right to  
12 dispute the debt within 30 days, and where the letter misrepresents the legal status, character  
13 and amount of the debt, and where the aforementioned violations represent an unfair,  
14 deceptive, and unconscionable practice in violation of the statute as codified in 15 U.S.C.  
§1692 et seq.

15 Defendant Paragon has violated the Telephone Consumer Protection Act, 47 U.S.C.  
16 227(b) by contacting Mr. Anderson's cellular telephone using an automated dialing system for  
17 purposes of collecting this alleged debt. Mr. Anderson has been contacted more than five  
18 times in the last twelve (12) months. Paragon made these phone calls in an attempt to collect a  
debt allegedly owed to Collins.

19 On information and belief, Defendant Collins Receivables, LLC, (hereinafter "Collins")  
20 purchased the debt from Check Into Cash and has paid Defendant Paragon Way to collect the  
21 debt. Defendant Collins is not a licensed debt collector in the State of Washington. Defendant  
22 Collins regularly purchases accounts for the purpose of collecting debts. Defendant Collins is  
23 therefore, a debt collector as defined by the FDCPA. Their attempts to evade Washington law  
24 requiring debt collectors to be licensed within the State by going through another collection  
agency is in direct violation of the Washington Collection Agency Act.

**II. PARTIES**

2.1 Plaintiff, GEORGE S. ANDERSON, (hereinafter "Mr. Anderson") is a resident of Lewis County, Washington.

2.2 Mr. Anderson is therefore a "debtor" and a "consumer" as defined by the FDCPA, and he acted as a "debtor" and "consumer" at all times relevant to this litigation.

2.3 Defendant, PARAGON WAY, INC., (hereinafter "PARAGON") is incorporated in and has its principal place of business in Austin, Texas.

2.4 Defendant, PARAGON, is a licensed collection agency in the State of Washington.

2.5 Defendant PARAGON regularly attempts to collect debts on behalf of their client, Check Into Cash and Defendant Collins Receivables, LLC.

2.6 Defendant PARAGON is therefore a "debt collector" as defined by the FDCPA.

2.7 Defendant PARAGON made attempts to collect the subject debt from Mr. Anderson on behalf of the original creditor and listed current creditor Collins Receivables, LLC.

2.8 Defendant COLLINS RECEIVABLES, LLC (hereinafter "COLLINS") is incorporated in and has its principal place of business in Austin, Texas.

2.9 Defendant COLLINS regularly attempts to collect debts on behalf of their client, Check Into Cash.

2.10 Defendant COLLINS is not a licensed collection agency in the State of Washington.

2.11 Defendant COLLINS is listed as the "Current Creditor" on Defendant PARAGON's correspondence.

2.12 Defendant COLLINS has therefore made attempts to collect the subject debt from Mr. Anderson on behalf of the original creditor through a "straw man", named Defendant PARAGON.

2.13 Defendant COLLINS is a "debt collector" as defined by the FDCPA.

### III. JURISDICTION AND VENUE

3.1 Jurisdiction and Venue in the United States District Court, Western District of Washington, are appropriate where this dispute involves predominant issues of federal law, and where all acts at issue and described herein occurred in this district, and where the injury to Plaintiff occurred in this district, and where Plaintiff is a resident of this district, and where the Defendant engages in substantial business in this district, and where Defendant has already availed himself of the courts in this district by threatening to file a lawsuit against Plaintiff in this district. (28 U.S.C. §1332; 28 U.S.C. §1391(b); and 28 U.S.C. §1331).

3.2 Defendant is liable unto Mr. Anderson pursuant to the provisions of the Fair Debt Collection Practices Act, 15 U.S.C. §1692, et. seq., Telephone Consumer Protection Act, 47 U.S.C. §226, et. seq., as well as other applicable state and federal laws, which claims may be brought under this Court's supplemental jurisdiction.

### IV. FACTS

4.1 Each Defendant is a "debt collector" as defined by the Fair Debt Collection Practices Act (FDCPA), and Defendant acted as a debt collector at all times pertinent to this action.

4.2 Mr. Anderson is a "debtor" and "consumer" as defined by the FDCPA, and acted as a debtor/consumer at all times pertinent to this action.

4.3 The debt at the heart of this litigation is a "consumer debt" as defined by the FDCPA.

4.4 Mr. Anderson paid the debt Defendants alleged he owed to Check Into Cash, in full on June 28, 2006, in the amount of \$621.00, by using the Defendant's online payment processor, Its Pay My Bill, at [www.paymybill.com](http://www.paymybill.com).

1 4.5 In response to the Defendants' continued collection demands and the threat of a  
2 negative credit reporting, Mr. Anderson paid this same bill again, in the amount of  
3 \$735.00, using the same online payment processor, Its Pay My Bill, at  
4 www.paymybill.com, on April 24, 2007. Mr. Anderson was told by Defendant  
5 PARAGON that if he paid this bill, then it would not go on his credit report.

6 4.6 Despite Mr. Anderson's efforts to pay and settle this matter, the Defendants continue to  
7 make attempts to collect on the same debt, bearing the same account number but each  
8 time alleging a different amount due.

9 4.7 Defendant PARAGON used an automated telephone dialing system to contact Mr.  
10 Anderson's cellular telephone in its attempts to collect the alleged debt.

11 4.8 Defendant PARAGON does not and did not have an established business relationship  
12 with Mr. Anderson, all contacts were at all times made for the purpose of collecting a  
13 consumer debt.

14 4.9 Defendant PARAGON's telephone solicitations were not made with Mr. Anderson's  
15 prior express invitation or permission.

16 4.10 Defendant PARAGON is not a tax exempt nonprofit organization.

17 4.11 Nevertheless, Defendants mailed Mr. Anderson a letter dated May 8, 2008, offering to  
18 "help out" Mr. Anderson by offering him a discount on this same debt Mr. Anderson  
19 had already paid, twice, if he would settle (and pay again for the third time) by May 31,  
20 2008. (*Exhibit A*).

21 4.12 Defendants' dunning letter stated, in pertinent part: "Now that your tax rebate check  
22 will be arriving soon, you have the opportunity to take care of this account once and for  
23 all. To help you out, we're offering you a discount of \$287.50 on the above-referenced  
24

1 account if you settle by 05/31/2008. We are under no obligation to offer this settlement  
2 offer in the future.”

3 4.13 Defendants’ dunning letter indicated that the amount of the debt was \$575.00.

4 4.14 Defendants’ dunning letter did not state that unless the consumer, within thirty days  
5 after receipt of the notice, disputes the validity of the debt, or any portion thereof, the  
6 debt will be assumed to be valid by the debt collector.

7 4.15 In fact, the only time period mentioned in the letter was to send in payment by  
8 05/31/2008.

9 4.16 Defendants’ dunning letter did not contain a statement that if the consumer notifies the  
10 debt collector in writing within the thirty-day period that the debt, or any portion  
11 thereof, is disputed, the debt collector will obtain verification of the debt or a copy of a  
12 judgment against the consumer and a copy of such verification or judgment will be  
13 mailed to the consumer by the debt collector.

14 4.17 Defendants’ dunning letter did not contain a statement that, upon the consumer’s  
15 written request within the thirty-day period, the debt collector will provide the  
16 consumer with the name and address of the original creditor if different from the  
17 current creditor.

18 4.18 Defendant Paragon Way has attempted to contact Mr. Anderson on his cellular  
19 telephone on several occasions, including but not limited to, February 14, 2008, March  
20 6, 2008, March 13, 2008, March 14, 2008, and March 28, 2008, April 30, 2008, and  
21 May 7, 2008.

22 4.19 As a result of Defendant Paragon’s attempts to collect a debt by contacting Mr.  
23 Anderson on his cellular telephone, Defendant Paragon has caused charges to be  
24 incurred by Mr. Anderson associated with Defendant’s collection attempts.

1 4.20 As a result of Defendant's conduct, Mr. Anderson has suffered sleepless nights,  
2 anxiety, headaches, frustration, depression, decreased productivity, and other emotional  
3 distress.

4 4.21 As a result of Defendant's conduct, Mr. Anderson's reputation was damaged where his  
5 consumer reports with TransUnion, and CBA Information Solutions contained negative  
6 credit reportings indicating that Mr. Anderson had unpaid collection accounts.

7 4.22 Mr. Anderson's reputation has been irreparably damaged by Defendant's letter.

8 4.23 Defendant's actions are a direct and proximate cause of Mr. Anderson's injuries.

9 **V. FIRST CAUSE OF ACTION**  
10 **Fair Debt Collection Practices Act Violation**  
11 **(Application of the Statute)**

12 5.1 Plaintiff re-alleges paragraphs 1 through 4, inclusive as though fully set forth herein.

13 5.2 Pursuant to the Fair Debt Collection Practices Act (FDCPA), a "consumer" or "debtor"  
14 means "any natural person obligated or allegedly obligated to pay any debt." (See 15  
15 U.S.C. §1692a(3)).

16 5.3 Pursuant to the FDCPA, the term "debt" means: "any obligation or alleged obligation  
17 of a consumer to pay money arising out of a transaction in which the money, property,  
18 insurance, or services which are the subject of the transaction are primarily for  
19 personal, family, or household purposes, whether or not such obligation has been  
20 reduced to judgment." (See 15 U.S.C. §1692a(5)).

21 5.4 Pursuant to the FDCPA, the term "debt collector" means: "any person who uses any  
22 instrumentality of interstate commerce or the mails in any business the principal  
23 purpose of which is the collection of any debts, or who regularly collects or attempts to  
24 collect, directly or indirectly, debts owed or due or asserted to be owed or due another."  
25 (See 15 U.S.C. §1692a(6)).

1 5.5 Therefore, the FDCPA applies to this case where Defendants alleged that Mr. Anderson  
 2 is obligated to pay a debt; and where Mr. Anderson is a "consumer" and "debtor," and  
 3 where the debt at issue arises out of a transaction in which the services are primarily for  
 4 personal, family, or household purposes, and where the volume of collection  
 5 letters/cases handled by each Defendant makes him a "debt collector."

6 **VI. SECOND CAUSE OF ACTION**  
 7 **Fair Debt Collection Practices Act Violation**  
 8 **("g" Violation and False Representation)**

9 6.1 Plaintiff re-alleges paragraphs 1 through 5, inclusive as though fully set forth herein.

10 6.2 The Fair Debt Collection Practices Act (FDCPA) states:

11 "Within five days after the initial communication with a consumer in connection  
 12 with the collection of any debt, a debt collector shall, unless the following  
 13 information is contained in the initial communication or the consumer has paid  
 14 the debt, send the consumer a written notice containing – 1) the amount of the  
 15 debt;...3) a statement that unless the consumer, within thirty days after receipt of  
 16 the notice, disputes the validity of the debt, or any portion thereof, the debt will be  
 17 assumed to be valid by the debt collector; 4) a statement that if the consumer  
 18 notifies the debt collector in writing within the thirty-day period that the debt, or  
 19 any portion thereof, is disputed, the debt collector will obtain verification of the  
 20 debt or a copy of a judgment against the consumer and a copy of such verification  
 21 or judgment will be mailed to the consumer by the debt collector; and...."

(See 15 U.S.C. §1692g(1)(2) and (4)).

19 6.3 It is a violation of the FDCPA to include language in the original communication with  
 20 the debtor which "overshadows" the "g notice." (See Swanson v. Southern Oregon  
 21 Credit Serv., 869 F.2d 1222 (9<sup>th</sup> Cir. 1988).

22 6.4 Finally, the FDCPA states that: "...any debt collector who fails to comply with any  
 23 provision of this subchapter with respect to any person is liable to such person...."

24 (See 15 U.S.C. §1692k(a)).



1 6.5 In this case, Defendant mailed a dunning letter to Mr. Anderson which stated: "Now  
2 that your tax rebate check will be arriving soon, you have the opportunity to take care  
3 of this account once and for all. To help you out, we're offering you a discount of  
4 \$287.50 on the above-referenced account if you settle by 05/31/2008. We are under no  
5 obligation to offer this settlement offer in the future." (See Exhibit A).

6 6.6 Defendant's dunning letter did not contain the required "g" notice.

7 6.7 Defendant's letter also did not contain the "debtor's Miranda warning" found in section  
8 "(e)(11)" of the statute.

9 6.8 Moreover, the timing language in Defendant's dunning letter to Mr. Anderson  
10 overshadowed the mandatory language of the statute as well as Mr. Anderson's right to  
11 be warned of the "attempt to collect a debt and any information obtained will be used  
12 for that purpose" and his right to dispute the debt within 30 days.

13 6.9 Therefore, Defendant violated sections "g" and "e" of the statute and made false,  
14 deceptive, and misleading representations where Defendant failed to provide the  
15 appropriate notices to Mr. Anderson, especially where the language of Defendant's  
16 dunning letter overshadowed the required notices.

17 6.10 Mr. Anderson was injured by Defendant's actions.

18 6.11 Defendant's actions were a direct and proximate cause of Mr. Anderson's injuries and  
19 damages.

20 **VII. THIRD CAUSE OF ACTION**  
21 Fair Debt Collection Practices Act Violation  
22 ("e" Violation and Misrepresentation)

23 7.1 Plaintiff re-alleges paragraphs 1 through 6, inclusive as though fully set forth herein.

24 7.2 The Fair Debt Collection Practices Act (FDCPA) states in pertinent part that:

1 "A debt collector may not use any false, deceptive, or misleading representation  
2 or means in connection with the collection of any debt."

3 15 USCS § 1692e.

4 7.3 The act further states that the following conduct is a violation of section 1692e: "The  
5 false representation of the character, amount, or legal status of a debt...."

6 15 U.S.C. § 1692e(2).

7 7.4 The act further states that the following conduct is a violation of section 1692e:

8 "The threat to take any action that cannot legally be taken or that is not intended to be  
9 taken."

10 15 U.S.C. § 1692e(5)

11 7.5 The act further states that the following conduct is a violation of section 1692e:

12 "The use of any false representation or deceptive means to collect or attempt to collect  
13 any debt or to obtain information concerning a consumer."

14 15 U.S.C. § 1692e(10).

15 7.6 In this case, Defendant sent Mr. Anderson a dunning letter threatening to take action  
16 which cannot legally be taken, inferring "settlement", "negotiated settlement", and  
17 "release of claim" as though some legal process would follow on an invalid and  
18 erroneous debt, a debt which could never support a lawsuit. (Ex. A).

19 7.7 Defendant's dunning letter also contains an indirect threat of credit bureau reporting  
20 which Defendants would "agree to update" as though some credit reporting had been  
21 made to enforce an invalid and erroneous debt, a debt which could not have been  
22 reported to the credit bureaus as an obligation which is currently due and owing.  
23 Further, Defendants should have updated the credit bureaus the first time the debt was  
24 paid in full on June 28, 2006.

1 7.8 Defendant's dunning letter also did not include the 15 U.S.C. §1692g notification and  
2 the 15 U.S.C. §1692e(11) "Miranda" notification.

3 7.9 Defendant therefore violated the statute by falsely representing the character, amount  
4 and legal status of the subject debt where the debt was not valid and where Defendant  
5 had no legal right to file suit upon the debt as impliedly threatened in the letter to Mr.  
6 Anderson.

7 7.10 Defendant therefore violated the statute by threatening to take legal action which could  
8 not legally be taken where the debt was invalid and where the Defendant could not  
9 have filed a lawsuit based on this invalid and erroneous debt.

10 7.11 Defendant therefore violated the statute by threatening to not remove or update the  
11 national credit bureaus if the alleged debt was not paid, and where there is no statutory  
12 or contractual basis to substantiate such a threat against Mr. Anderson.

13 7.12 Defendant therefore violated the statute by the use of false representations and  
14 deceptive means to attempt to collect the subject debt where Defendant asserted in his  
15 dunning letter that this was a valid debt when in fact it was not, and where Defendant  
16 failed to include the statutory warnings required by 15 U.S.C. §1692e(11), which  
17 amounts to a per se false representation and deceptive act.

18 7.13 Mr. Anderson was injured by Defendant's actions.

19 7.14 Defendant's actions were a direct and proximate cause of Mr. Anderson's damages.

20 **VIII. FOURTH CAUSE OF ACTION**  
21 **Fair Debt Collection Practices Act Violation**  
22 **(Unfair Practices)**

23 8.1 Plaintiff re-alleges paragraphs 1 through 7, inclusive as though fully set forth herein.  
24  
25  
26

1 8.2 The Fair Debt Collection Practices Act (FDCPA) states that: "A debt collector may not  
2 use unfair or unconscionable means to collect or attempt to collect any debt. 15 U.S.C.  
3 §1692f.

4 8.3 The act further states that it is an unfair act to collect or attempt to collect "any amount  
5 (including any interest, fee, charge, or expense incidental to the principal obligation)  
6 unless such amount is expressly authorized by the agreement creating the debt or  
7 permitted by law." (See 15 U.S.C. §1692f(1)).

8 8.4 In this case, Defendant' impliedly threatened to sue Mr. Anderson, by using language  
9 which would indicate to the unsophisticated consumer that a lawsuit would be pending  
10 if Mr. Anderson did not agree to some "settlement" or "negotiated settlement" resulting  
11 in their filing a "release of claim". (Ex. A).

12 8.5 Defendant had no legal or contractual basis for such a threat or demand.

13 8.6 Defendant therefore violated the statute where Defendant impliedly threatened to sue  
14 Mr. Anderson where such amounts were not expressly authorized by the agreement  
15 creating the debt or permitted by law.

16 8.7 Mr. Anderson suffered injury as a result of Defendant's actions.

17 8.8 Defendant's actions are a direct and proximate cause of Mr. Anderson's damages.

## 18 **IX. FIFTH CAUSE OF ACTION**

19 Violation of RCW 19.86 et seq.

20 9.1 Plaintiff re-alleges paragraphs 1 through 8, inclusive as though fully set forth herein.

21 9.2 The Washington State Consumer Protection Act prohibits unfair and deceptive acts or  
22 practices committed in the course of commerce or trade. (See RCW 19.86.020).

23 9.3 Mr. Anderson is a "consumer" as defined by the act.

24 9.4 Each Defendant is a "business" as defined by the act.

1 9.5 Each of Defendant's actions occurred in the course of trade or commerce as defined by  
2 the act.

3 9.6 Mr. Anderson was injured in his property by Defendant's actions, especially where Mr.  
4 Anderson's reputation has been irreparably damaged.

5 9.7 Defendant's unfair and deceptive acts/practices described in the above sections of this  
6 complaint, which were in violation of the Fair Debt Collection Practices Act, are also  
7 considered unfair and deceptive acts or practices in violation of the Washington State  
8 Consumer Protection Act. (See RCW 19.86.920 stating in pertinent part: "The  
9 legislature hereby declares that the purpose of this act is to complement the body of  
10 federal law governing restraints of trade, unfair competition and unfair, deceptive, and  
11 fraudulent acts or practices in order to protect the public and foster fair and honest  
12 competition. It is the intent of the legislature that, in construing this act, the courts be  
13 guided by final decisions of the federal courts and final orders of the federal trade  
14 commission interpreting the various federal statutes dealing with the same or similar  
15 matters.... To this end this act shall be liberally construed that its beneficial purposes  
16 may be served.").

17 9.8 Defendant's actions therefore violated RCW 19.86 et seq.

18 9.9 Mr. Anderson was injured by Defendant's actions.

19 9.10 Defendant's actions are a direct and proximate cause of Mr. Anderson's injuries.  
20

21 **X. SIXTH CAUSE OF ACTION**  
Telephone Consumer Protection Act Violation

22 10.1 Plaintiff re-alleges paragraphs 1 through 9, inclusive as though fully set forth herein.

23 10.2 The Telephone Consumer Protection Act prohibits any person within the United States  
24 from making a call using an automated telephonic dialing system or an artificial

prerecorded voice to any telephone number assigned to a cellular telephone or any service for which the party is charged for the call. 47 U.S.C. 227(b)(1).

10.3 The Telephone Consumer Protection Act creates a private right of action for any person who has received more than one telephone call within any 12 month period by or on behalf of the same entity in violation of the regulations prescribed under 47 U.S.C. 227(b).

10.4 In this case, Defendant PARAGON contacted Mr. Anderson, using an automated telephonic dialing system or an artificial prerecorded voice to the telephone number assigned to his cellular telephone.

10.5 Defendant PARAGON contacted Mr. Anderson on more than one occasion in the last 12 month period, including but not limited to, February 14, 2008, March 6, 2008, March 13, 2008, March 14, 2008, and March 28, 2008, April 30, 2008, and May 7, 2008.

10.6 These phone calls were made by PARAGON on behalf of COLLINS.

10.7 Neither Defendant had an established business relationship with Mr. Anderson.

10.8 Neither Defendant had Mr. Anderson's prior express invitation or permission to make such calls to his cellular telephone.

10.9 Neither Defendant is a tax exempt nonprofit organization.

10.10 Both Defendants willfully and knowingly violated the Telephone Consumer Protection Act.

10.11 Both Defendants' conduct establishes that they have not implemented, with due care, reasonable practices and procedures to effectively prevent telephone solicitations in violation of the regulations prescribed under the Telephone Consumer Protection Act.

1 10.12 Both Defendants' actions therefore violated 47 U.S.C. 227(b), entitling Mr. Anderson  
2 to a private right of action under 47 U.S.C. 227(b)(3) and 47 U.S.C. 227(b)(5).

3 10.13 Mr. Anderson was injured by Defendants' actions.

4 10.14 Defendant's actions are a direct and proximate cause of Mr. Anderson's injuries.  
5

6 **XI. SEVENTH CAUSE OF ACTION**  
Violation of Washington Collection Agency Act

7 11.1 Plaintiff re-alleges paragraphs 1 through 10, inclusive as though fully set forth herein.

8 11.2 The Washington State Collection Agency Act prohibits a person from acting or  
9 assuming to act as a collection agency or out-of-state collection agency without first  
10 having applied for and obtained a license from the director. (See RCW 19.16.110).

11 11.3 As previously stated, Mr. Anderson is a consumer as defined by the FDCPA.

12 11.4 Defendant COLLINS indirectly engages in soliciting claims for collection, or collecting  
13 or attempting to collect claims owed or due or asserted to be owed or due Check Into  
14 Cash.

15 11.5 In attempting to collect, Defendant COLLINS has used Defendant PARAGON to  
16 effectuate the collection of its account by means of intrastate communications,  
17 including telephone and mail solicitations.

18 11.6 Defendant COLLINS' activities within this state are limited to collecting debts from  
19 Washington State consumers and is a debt collector as defined by the FDCPA 15  
20 U.S.C. 1692(a)(6).

21 11.7 Defendant COLLINS is not a resident of the State of Washington, in violation of RCW  
22 19.16.120(1).

23 11.8 Defendant COLLINS is an out-of-state collection agency as defined under the Act.  
24

1 11.9 Defendant COLLINS has not obtained a license to act as a collection agency in the  
2 State of Washington.

3 11.10 Defendant COLLINS has failed to comply with the licensing provisions of the Act  
4 under RCW 19.16.110 requiring a collection agency to be licensed as such in the State  
5 of Washington.

6 11.11 Two years have not elapsed since the occurrence of said violation and noncompliance.

7 11.12 Defendant PARAGON has directly aided and abetted this violation by acting as the  
8 "straw man" through which COLLINS collects debts from consumers in the State of  
9 Washington in violation of RCW 19.16.250(1).

10 11.13 Defendant PARAGON sent to Mr. Anderson a notice which represents or implies that a  
11 claim exists without indicating the following as required under RCW 19.16.250(8)(a) in  
12 clear and legible type the name of the licensee and the city, street, and number at which  
13 he is licensed to do business in violation of RCW 19.16.250(8)(a).

14 11.14 When collecting a different amount than indicated in PARAGON's first notice to Mr.  
15 Anderson, PARAGON violated the provisions under RCW 19.16.250(8)(c) by failing  
16 to include an itemization of the claim asserted including (i) the amount owing on the  
17 original obligation at the time it was received by PARAGON for collection or by  
18 assignment, (ii) interest or service charges, collection costs, or late payment charges, if  
19 any, added to the original obligation by the original creditor, customer or assignor  
20 before it was received by the licensee for collection, (iii) failed to provide upon written  
21 request this information to the debtor, (iv) failed to account for any interest or service  
22 charge, if any, added by PARAGON after the obligation was received by them for  
23 collection, (v) failed to account for collection costs, if any, that they are attempting to  
24 collect, (vi) failed to account for attorneys' fees, if any, that PARAGON is attempting



1 to collect on its behalf or on behalf of a customer or assignor, and (vii) failed to account  
2 for any other charge or fee that PARAGON is attempting to collect on its own behalf or  
3 on behalf of a customer or assignor.

4 11.15 Violations of RCW 19.16.110 and 19.16.250 are per se unfair and deceptive trade  
5 practices under RCW 19.86. See RCW 19.16.440.

6 11.16 Defendant's actions therefore violated RCW 19.16 et seq.

7 11.17 Defendant's actions therefore violated RCW 19.86 et seq.

8 11.18 Mr. Anderson was injured by Defendant's actions.

9 11.19 Defendant's actions are a direct and proximate cause of Mr. Anderson's injuries.

## 10 **XII. PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiff prays for judgment to be entered against the Defendant as  
12 follows:

- 13 A. For actual and compensatory damages in the amount of \$100,000.00,  
14 B. For statutory damages in the amount of \$1,000 pursuant to 15 U.S.C. §1692 et  
15 seq.,  
16 C. For incidental and consequential damages in an amount to be proven at trial,  
17 D. For treble the above damages in the amount of \$10,000 pursuant to RCW 19.86  
18 et seq.,  
19 E. For costs and reasonable attorney's fees in an amount to be proven at trial  
20 pursuant to 15 U.S.C. §1692 et seq. and RCW 19.86 et seq.,  
21 F. For an injunction preventing Defendant from ever again mailing a dunning  
22 letter to a debtor in the state of Washington without including a "g notice" and  
23 the "debtor's Miranda warning,"  
24

- 1 G. For an injunction preventing Defendant from ever contacting Mr. Anderson  
2 again for any reason,  
3  
4 H. For an injunction preventing Defendant from ever contacting a debtor in the  
5 state of Washington using an automated dialer or artificial prerecorded voice to  
6 any telephone number assigned to a cellular telephone or any service for which  
7 the party is charged for the call. 47 U.S.C. 227(b)(3)(A) and (b)(5)(A).  
8  
9 I. For damages in the amount of \$500 pursuant to 47 U.S.C. 227(b)(3)(B) and  
10 (b)(5)(B).  
11  
12 J. For treble the above damages in the amount of \$1,500 pursuant to 47 U.S.C.  
13 227(b)(3)(C) and (b)(5)(C).  
14  
15 K. For interest on the above amounts as authorized by law,  
16  
17 L. For other relief as the Court deems just and equitable, and  
18  
19 M. For leave to amend this complaint as needed and as required.

20 **XIII. REQUEST FOR TRIAL BY JURY**

21 Plaintiff hereby requests a trial by jury pursuant to U.S. Const. Amend. 7, Fed.  
22 R.Civ.Proc. 38.

23 DATED this 28<sup>th</sup> day of August, 2008.

24 PLAINTIFF'S COUNSEL

25   
26 DEANNA L. JOHNSON, WSBA #38926

## **EXHIBIT “A”**

P.O. Box 160758  
Austin, TX 78716-0758



Pay online at [www.paymybill.com](http://www.paymybill.com)

Pay by phone at (866)294-0331

Enter 0715599 as your UserID and 6464432 as your password

DATE	REFERENCE #	TOTAL DUE	\$ AMOUNT OF PAYMENT
5/8/08	6464432	\$575.00	

Please indicate Reference # on your payment



George Anderson 6464432  
404 S. Washington Ave.  
Centralia, WA 98531-2620



Paragon Way Inc.  
P.O. Box 42829  
Austin, TX 78704-0044

☐ Please check box if above address is incorrect  
and indicate change(s) on reverse side.

◀ DETACH UPPER PORTION AND RETURN WITH PAYMENT ▶

Reference #	Current Balance	Purchased Balance	Original Account #
6464432	\$575.00	\$575.00	11036*003511

  

Description	Original Creditor	Current Creditor
PaydayLoan	Check into Cash	Collins Receivables, LLC

## We'll Help You Put Your Tax Rebate Check To Work!

5/8/08

Dear George Anderson,

Now that your tax rebate check will be arriving soon, you have the opportunity to take care of this account once and for all. To help you out, we're offering you a discount of \$287.50 on the above-referenced account if you settle by 05/31/2008. We are under no obligation to offer this settlement offer in the future.

That's right - you will save \$287.50 off the full balance owed! All you need to do is send us your payment of \$287.50 along with the coupon above in the enclosed reply envelope. Or you can call us toll-free at (888) 570-5007 and an account representative will assist you in making a payment by phone. Upon receipt of your payment of \$287.50, your account will be settled. We will close the account and all future collection activity regarding this account will cease.

If you cannot send in \$287.50 by 05/31/2008, call us at (888) 570-5007 and an account representative will work with you to come up with a satisfactory payment arrangement.

This offer is made for the purpose of settlement only and is not an admission that any amount less than the full balance is due. If you honor the terms of your negotiated settlement, Paragon Way, Inc. agrees to settle this account for the settlement amount negotiated as outlined above. Paragon Way, Inc. also agrees to send you a release of claim and update the national credit bureaus if your account has been reported by Paragon Way, Inc.

This is a communication from a debt collector. This is an attempt to collect a consumer debt. Any information obtained will be used for that purpose.

Sincerely,  
Paragon Way, Inc.